

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JJF)
)
Debtors.) (Jointly Administered)

**SUPPLEMENTAL AFFIDAVIT OF ANNE E. MORAN IN SUPPORT OF THE
APPLICATION OF THE DEBTORS TO EMPLOY
STEPTOE & JOHNSON LLP AS SPECIAL TAX COUNSEL TO DEBTORS**

DISTRICT OF COLUMBIA)
) ss:

I, Anne E. Moran, being duly sworn, state as follows:

1. I am an attorney at law and a member of the bar of the District of Columbia. I am a partner of the law firm of Steptoe & Johnson, LLP ("Steptoe"), which maintains an office for the practice of law at 1330 Connecticut Avenue, N.W., Washington, DC

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food >N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

20036. I make this Supplemental Affidavit in support of the Application (the "Application") of the above captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of an order authorizing the employment of Steptoe as special tax counsel for the Debtors, pursuant to sections 327(e) and 330 of the Bankruptcy Code.

2. In my Affidavit dated November 1, 2001, I stated that Steptoe received regular compensation from the Debtors for services rendered and expenses incurred through March 2001. On March 30, 2001, Steptoe received a payment in the amount of \$13,442 for services rendered and expenses incurred in February and March, 2001. This payment was in satisfaction of all prepetition amounts owed to Steptoe by the Debtors with respect to such fees and expenses.

3. In the same Affidavit referenced above, I also stated that during the postpetition month of July 2001, Steptoe incurred approximately \$60,687 in fees and expenses due to the provision of its legal services in that month. Of this amount, \$50,000 has been paid in accordance with that certain Order Pursuant to 11 U.S.C. §§ 1107(A) and 1108 Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course Of the Debtors' Business, dated May 3, 2001. Upon the approval of the Debtors' Application to retain Steptoe as special tax counsel, Steptoe will seek the payment of its additional July 2001 fees in excess of \$50,000 in accordance with that certain Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and Committee Members, dated May 3, 2001.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct.

Executed on Jan 10, 2002.

Anne E Moran
Anne E. Moran

Subscribed and Sworn to before me
this 10th day of January, 2002

John E. Hickey
Notary Public
My Commission expires: 5/31/06